PROPERTY TAX HOMESTEAD EXCLUSION FOR ELDERLY OR DISABLED AND CIRCUIT BREAKER DEFERMENT

G.S. 105-277.1 – Property Tax Homestead Exclusion for Elderly or Disabled Persons

"North Carolina excludes from property taxes a portion of the appraised value of a permanent residence owned and occupied by a North Carolina resident who is at least 65 years of age, or is totally and permanently disabled, and whose income does not exceed thirty thousand, two hundred dollars ($30,200). The amount of the appraised value of the residence that may be excluded from taxation is the greater of twenty-five thousand dollars ($25,000) or fifty percent (50%) of the appraised value of the residence. Income means all moneys received from every source other than gifts or inheritances received from a spouse, lineal ancestor, or lineal descendant.

If you received this exclusion last year, you do not need to apply again unless you have changed your permanent residence. If you received the exclusion last year but the property no longer qualifies for any reason, you must notify the assessor. Failure to notify the assessor that the property no longer qualifies for the exclusion will cause the property to be subject to discovery with penalties and interest pursuant to G. S. 105-312.

If you did not receive the exclusion last year, but are now eligible, you may obtain an application from the county tax department. It must be filed with the county assessor by **June 1** to be timely filed."

G.S. 105-277.1B – Property Tax Homestead Circuit Breaker Deferment

"North Carolina defers a portion of the property taxes on the appraised value of a permanent residence owned and occupied by a North Carolina resident who owned and occupied the property at least five years, who is 65 years of age or totally and permanently disabled, and whose income does not exceed forty five thousand, three hundred dollars ($45,300). If the owner's income is thirty thousand, two hundred dollars ($30,200) or less, then the portion of property taxes imposed on the residence that exceeds 4% of the owner's income may be deferred. If the owner's income is more than thirty thousand, two hundred one dollars ($30,201) but less than or equal to forty five thousand, three hundred dollars ($45,300), then the portion of the property taxes on the residence that exceeds 5% of the owner's income may be deferred.

The deferred taxes are lien on the residence. The most recent three years of deferred taxes preceding a disqualifying event become due with interest upon one of the following disqualifying events: 1) the owner transfers the residence; 2) the owner dies; or 3) the owner ceases to use the property as a permanent residence. Multiple owners of a permanent residence must all qualify and elect the circuit breaker before a deferment of taxes will be allowed.

You must apply for the opportunity to defer property taxes each and every year that you wish to defer taxes. The application may be obtained from the county tax department and it must be filed with the county assessor by **June 1** to be timely filed."

Note: An owner who qualifies for both the property tax homestead exclusion and the property tax homestead circuit breaker may elect only one of these forms of property tax relief.

Union County Tax Administrator
500 North Main Street, Suite 236
Monroe, NC 28112
704-283-3746